

Washington State Health Care Authority

ADVISORY TEAM MEETING SUMMARY

K-12 HEALTH BENEFITS REPORT PROJECT

SEPTEMBER 2, 2011

PUGET SOUND EDUCATIONAL SERVICE DISTRICT CONFERENCE CENTER

9:00 AM – NOON

Purpose:

- Meet the key players from HCA working on the project
- Provide an overview of the project, timeline and report elements
- Clarify HCA's requests for your participation and answer questions
- Encourage discussion, gather feedback and ideas

Meeting Facilitators:

John Williams, Health Care Authority
Tim Barclay, Milliman
Peter Summerville, rialto communications
Denise Rhiner, Pyramid Communications

Materials:

Agenda
Project Fact Sheet
Project Timeline
Project Teams Diagram
Milestones for Engagement

Additional Resources:

<http://www.hca.wa.gov/k12report>

Additional Leadership and Support Team members:

Linda Blankenship, Camray Consulting
Mary Fliss and Richard Onizuka, HCA
Lisa Kagan, Pyramid Communications

Present in the meeting in-person or conferenced-in:

Fred Armstrong, Group Health
Jerry Bender, Association of Washington School Principals
Mike Binyon, Spokane Public Schools
Paula Bond, Association of Washington School Principals
Richard Burton, American federation of Teachers, Washington
Sean Corr, Sprague Israel Giles (benefits broker for Seattle School District)
Mitchell Denning, Alliance of Educational Associations
Christian Dube, International Union of Operating engineers Local 286
Elizabeth Engberg, Kaiser Permanente
Lyn Felker, Premera Blue Cross
Hilary Getz, Kaiser Permanente
Jim Grazko, Premera Blue Cross

Paul Kvamme, Washington Association of School Administrators
Debra Long, Washington State School Director's Association
Linda McDermott, Spokane Public Schools
Kay McGinnis, Kaiser Permanente
Thad Mick, Washington Prescription Services
Nancy Moffat, Washington Association of School Business Officials
Doug Nelson, Public School Employees of WA SEIU 1948
Randy Parr, Washington Education Association
Meg Paul, Aon Hewitt
Mark Rose, Washington Association of Health Underwriters
Tyler Skillings, Public School Employees of WA SEIU 1948
Sydney Smith-Zvara, Washington Association of Health Plans
Dan Steele, Washington Association of School Administrators
Marie Sullivan, Washington State School Director's Association
Elaine Williams, Seattle Public Schools

Two additional individuals participated by conference hookup – names to be confirmed:

Craig Patterson, Evergreen Public Schools?

Ronald Ward, Evergreen Public Schools?

Meeting Summary:

Introductions & Meeting Goals

Around-the-table introductions were made. Participants included a diverse representation from school districts, unions, insurance carriers, insurance brokers, education professional associations and HCA.

Project Overview

John Williams, who is leading the report project for HCA, offered the history of the project's initiation and an overview of its aims and limitations.

- State Auditor's Office performed a performance audit, which included the HayGroup Report
- HCA is now tasked with creating a proposal for a consolidated public school employee health benefits program, serving K-12 public school employees.
- Report will present program options and an analysis of the pros and cons of current system, a newly designed PEBB-like program and moving public school employees into PEBB. It is anticipated that the HCA will include a recommendation to the State Legislature on the
- The program options HCA will offer are merely being presented to the Legislature and is not being "sold" as what should be done. The Report will help the Legislature make informed decisions about whether or not to pursue and fund a change in the delivery of K-12 Benefits.
- The aim in creating the options is to create improvements in transparency, equity, efficiency and perhaps cost-savings. Not all are guaranteed, but the Report will identify where these improvements will potentially appear.
- HCA will work with Milliman (actuarial firm) to deliver the best report in the time allowed. The time limits include sharing a draft of the report with OFM in early December and submitting the final report to the State Legislature on December 15, 2011.
- The reason behind the deadline is to have the report in the hands of legislators in advance of the legislative session, per their request.
- The overview of project history is contained in the combined historical and project timeline document

Participating Teams and Roles

There are five teams organized to participate in this process. The teams are listed in the Project Teams Diagram available on the project website. hca.wa.gov/k12report

- A roster with individual participants will be available shortly

Roles of the Leadership and Support Team and Design Team

- HCA, Project Management, Transparency and Integration consultants will manage the project and integrate the project components
- HCA will create the report with options in coordination with the Design Team
- Milliman will conduct the data analysis
- Communications consultants will post documents, send updates and solicit feedback online

Roles of the K-12 Advisory

- Advise and educate the HCA about data accuracy, considerations, implications and other relevant details
- Provide feedback on HCA's drafts as necessary
- Be an advisory body to the HCA and its team members that are researching and writing the report. The Advisory Team is not a decision-making body

Anticipated project milestones

- Reviewed Milestones for Engagement document to understand points of feedback
- Feedback will be solicited through early November when final report preparation begins

Communications

HCA and the communications consultants (rialto-Pyramid) will:

- Create an HCA email address to send information to the Advisory Team and for team members to contact communications consultants and HCA directly. The email address is k12report@rialtocommunications.com
- Post all documents, including meeting materials, online
- Update website
- Provide online feedback tool for open ended comments
- Distribute a monthly HTML update on progress and milestones

Data Analysis

Milliman, the actuarial firm, will analyze various datasets from October-September for the last two school years (2009-2010, 2010-2011) knowing the last year will be incomplete.

- Looking to draw on age banded member-level data, which will be unidentifiable at the employee level.
- No longer pursuing member level claims data.
- Looking to districts to provide data around eligibility requirements (including differences between full and part time employees), benefit packages offered, costs, in addition to basic demographics
- Data analyzed and presented will not be an assessment of specific carriers.

Milliman will share cost-benefit data at the aggregated level but is unable to do it at the school district level.

- If school districts do not share data, the HCA report will be based on whatever data are available, such as data sets used for the HayGroup Report.
- It is too early to know how fine-tuned the program options will be and what will be included in larger discussions. These discussions can include:
 - Voluntary versus mandatory participation
 - Self-funded versus fully insured options
 - Coverage for retirees

Topics and Questions

Following is a summary of the topics and questions raised by participants and discussed by the group:

- Data ownership—Do school districts or insurance carriers own the data about employees? Milliman may need authorization from the school districts to receive data from the carriers.
 - HCA requested cooperation from education associations to help facilitate sharing of these data.
 - Would be helpful to have districts share who they can contact for quickest authorization for data.
 - Insurance pools were pointed out as a great source of information regarding costs.
- HIPAA—Will data sharing comply with HIPAA rules?
 - Milliman is complying with the HIPAA rules and only requesting data that will be used and can be obtained under HIPAA.
- Other benefits—Some school district employees have more generous life and disability benefits than other government employees and those out of pocket expenses should be considered.
 - The proposed options are unlikely to include life and disability, as those are not part of PEBB now. Life and disability benefits could be part of a separate analysis in the future.
- Benefits for classified versus non-classified employees—Classified employees do not have all of the benefits, such as LTD and life insurance that other school employees have and may have difficulty affording health insurance.
- It was requested that the fact sheet be updated to
- Bargaining implications—Eligibility is currently bargained with the employee group at the district level. If the Legislature pursues a new system, this could involve changing bargaining law and purchasing law.
- Report timeline—Turnaround time is very short and perhaps HCA to could request an extension?
 - HCA has been given direction and must move forward and deliver the report on December 15, 2011.
- Funding—The HCA proposal will speak to increasing the budget allocation—not changing the funding formula.
 - HCA can say there will need to be additional monies in the system. The Legislature would then take up whether or not to do allocate more funds.